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TO RUEHC/SECSTATE WASHDC 9450
RUEHGP/AMEMBASSY SINGAPORE 6312

UNCLAS JAKARTA 001290

SIPDIS

DEPT FOR EAP/IET, PM/DTCC/BLEU LANTERN COORDINATOR - RACHAEL-THERESE
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TAGS: [KOMC](#) [ETTC](#) [ECON](#) [ID](#) [SN](#)

SUBJECT: BLEU LANTERN RESULTS 05-050016544, 05-988470, 05-990843

REF: SECSTATE 052863

1. Summary. The Indonesian National Defense Forces Headquarters, Strategic Intelligence Agency (BAIS) confirmed receipt of telecommunication equipment listed in reftel and that they are being used for the purpose stated on the license. We conducted a site visit to Indonesian firm PT Ciptaarta Hadikara (Cipta) and it appears to be a reliable recipient of United States Munitions List (USML) items. End summary.

2. We contacted BAIS Deputy Purchasing Officer Lieutenant Colonel Eddy Noviar on June 12 to verify the transactions detailed in reftel. Noviar confirmed that BAIS received all items listed on each of the licenses. He verified that Cipta is a registered company on the BAIS supplier list. Noviar said BAIS has other current contracts with this company.

3. We visited Cipta on June 20 and met the Director Aristotle SE and his staff Otok Bimo Widagdo to verify the order of items listed in reftel. Aristotle confirmed his company received the order from BAIS in 2006 and that the items had been shipped in three shipments and received by the end-user in March, April and August 2007. Aristotle provided us with contract documentation signed by BAIS and Cipta and delivery reports of each shipment. Aristotle said his company was aware of restrictions on USML articles, particularly those that are re-exported. Aristotle said his company never mixes USML items with other products at the request of the end-user. The intermediate consignee shipped the items directly to BAIS. BAIS used its own expeditor to pick up the items from the airport and deliver them to the BAIS warehouse.

4. Cipta was established in 1995 as a trading company. Since inception, the company's core business is supplying military electronic and communications equipment. Since 2002, the company has been acting as the Indonesian principal for Harris Corporation, a U.S. based company. Their customers include BAIS, Indonesian Navy, Indonesian Army and Indonesian Air Force. According to Aristotle, Cipta has submitted two other export license applications to the Department of State this year. Both export licenses are to procure similar telecommunication items from Harris Corporation ordered by BAIS.

HUME